

Washington, DC - As the U.S. House continues to take steps to enact reforms, like the Credit Cardholders Bill of Rights that was passed last week, to make sure another financial and economic crisis of this kind does not occur again, Congresswoman Betty McCollum (MN-04) today voted for passage of H.R. 1728, the *Mortgage Reform and Anti-Predatory Lending Act*, which will curb abusive and predatory lending and outlaw many of the egregious industry practices that marked the subprime lending boom.

"Before the mortgage foreclosure crisis, Minnesota's overall homeownership rate was one of the highest in the nation. Now too many families in my congressional district are struggling to save their homes. That is unacceptable and I am proud the House has acted with this bold reform measure to ensure homeownership can remain the cornerstone of the American Dream. As we rebuild our nation's economy, we must ensure seniors, parents and hard working individuals are protected from the abuses we have seen in the mortgage industry over the last decade," Congresswoman McCollum said.

The anti-predatory lending bill will:

- ensure that mortgage lenders make loans that benefit the consumer and prohibit them from steering borrowers into higher cost loans;
- establish a simple standard for all home loans: institutions must ensure that borrowers can repay the loans they are sold;
- require that all mortgage refinancing loans provide a net tangible benefit to the consumer;
- make the secondary mortgage market responsible for complying with these standards when they buy loans and turn them into securities;
- encourage the market to move back toward making fixed-rate, fully documented loans, and;
- protect tenants who rent homes that go into foreclosure.

Yesterday, the U.S. House approved, S. 386, the *Fraud Enforcement and Recovery Act*, which now heads to the President's desk to be signed into law. To investigate the causes of the current financial and economic crisis, the legislation creates an outside commission which will have subpoena power and will work to bring accountability to a system where reckless behavior has gone unchecked in the past.

Congresswoman Betty McCollum (MN-4) serves on the House Appropriations & Budget Committees.